

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** Original  
**POSITION:** Neutral

**BILL NUMBER:** SB 980  
**AUTHOR:** Vargas, Juan

### **BILL SUMMARY:** Business and Professions Code: Mortgage Loans

Existing law, until January 1, 2013, prohibits any person who negotiates a loan modification from charging a borrower an upfront fee. This bill would extend that sunset date another four years to January 1, 2017 and make technical changes that are minor.

### **FISCAL SUMMARY**

Both the Department of Corporations and Department of Real Estate indicate that this bill could have a minor fiscal impact to their respective operations and would be absorbable within existing resources.

### **COMMENTS**

This bill would have no or minor state fiscal impact and concerns a policy matter on which we are neutral.

Chapter 630, Statutes of 2009, prohibits persons, until January 1, 2013, from charging advance fees to borrowers in connection with a loan modification and required those who charged a fee upon the completion of a loan modification to first provide notice of other available options for a loan modification.

	SO	(Fiscal Impact by Fiscal Year)							
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP					Fund		
Type	RV	98	FC	2012-2013	FC	2013-2014	FC	2014-2015	Code
2320/Real Estate	SO	No		-----	No/Minor Fiscal Impact	-----			0317
<u>Fund Code</u>			<u>Title</u>						
0317			Real Estate Fund						

Analyst/Principal Matt Almy	Date	Program Budget Manager Kristin Shelton	Date
Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)